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exploring the underpinnings of studying business models in action

Roslender, Robin; Nielsen, Christian

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Performative Research in the Business Model Field: Exploring the Underpinnings of Studying Business Models in Action

Robin Roslender¹
Christian Nielsen²

¹University of Dundee School of Business

²Aalborg University

Abstract

The adoption of a performative approach promises to enrich research enquiries pursued in the business model field. Such an approach has demonstrated its purchase in other business and management disciplines, including accounting, and has contributed to the wider exploration of social science methodology by their respective research communities.

Introduction

The special issue of papers from last year's conference published in the *Journal of Business Models* also included a contribution in which a number of researchers associated with the Business Design Centre at Aalborg University identified and briefly discussed a potentially rich research program for the business model field (Nielsen, *et al.*, 2018). They identified the program as enacting "a performative research agenda", which they argued constituted the fourth stage of business model research. The three previous stages are identified as being concerned with definitions and

concepts; business model innovation; and identifying frameworks and theories for describing and analysing business models respectively. The authors are at pains to affirm that none of the four phases should be regarded as more important than the others, and that their continued co-existence indicates a field that is rapidly maturing. The authors are enthused by this additional phase of research activity and in the final section of the paper briefly identify several constituents of the prospective research program, the pursuit of which promises to contribute to the further development of the broader business model field.

Keywords: Performative research approach; 'accounting in action'; social science methodology.

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The purpose of the present paper is to explore in further detail the underpinnings of the performative research approach in an attempt to increase its accessibility for business model researchers and thereby enhance the insightfulness of the business model field.

Approach

The initial task entails setting out what a performative approach to research entails and how it is related to the various approaches with which business model researchers are more familiar. In doing so, the paper draws on how performative and kindred approaches have enriched research in the accounting discipline over the past two generations. Having established the intellectual status and substance of performative research, attention switches to some of the ways of seeing that are associated with it, and how they are related to but differ from each other in matters of detail. The paper concludes by identifying a number of challenge that engaging with performative research presents.

Key Insights

The term performative is widely understood to form one part of the performative-ostensive couple. Perhaps the simplest way to understand this couple is in the context of definitions. An ostensive definition is one that you would find in a dictionary, with the implication that what is on offer is an instructive guide to the meaning of a particular term. Different dictionaries commonly offer different definitions, although in the great majority of cases these tend to only differ in detail. For the most part the definitions of a business model that we find advanced in the existing literature are of a similar genre, although the extent of difference can be significant. Nevertheless the definition offered by an individual researcher would be how s/he wishes to portray a business model.

A performative definition is rather different, however. It is a characterisation informed by observing and interpreting practice, one that rejects the implied attribute of stability that underpins an ostensive definition. Whereas an ostensive definition conveys a sense of fixedness about what it refers to, *inter alia* a business model, a performative definition of the same is focused

on how what we understand as a business model is enacted or 'performed'. Implicit here is the attribute of process understood to signify that a business model is always evolving, i.e., is a much more open-ended entity than is implied in the case of an ostensive business model definition. What a business model is is determined by the act of business modelling. The idea of performative definitions is consistent with postmodern thinking, the genre of thought that has come increasingly to the fore since the middle 1960s and has had the consequence of challenging the taken for granted axioms of modernist thinking on which our knowledge and understanding have been based in modern times.

The performative approach to research is usually identified with the work of the French sociologist Bruno Latour, and is one component of his contribution to contemporary sociology that dates back to the late 1970s (Latour, 1986 ; Boedker, 2010). Performative research seeks to understand or make sense of aspects of social reality through studying the detail of that reality. In the case of performative research on business models the researcher engages with one or maybe a couple or possibly a small number of extant business models to learn how they are enacted. This incorporates exploring their perceived objectives as well as the outcomes of their performance. The generic objective of such a research program is to develop a stock of knowledge and understanding of business model (practice) that complements the more familiar stock of normative or prescriptive knowledge and understanding that both practitioners and researchers draw from. There is no explicit intention to evaluate specific business model practice via performative research, although this is not proscribed. What is eschewed, however, is the commonplace paradigm of predicting such practices as in conventional management scientific research.

Anyone with a familiarity with the performative research approach is likely to be aware that on occasion the alternative of a practice-based research approach is invoked. Such an approach is generally associated with a second French sociologist, the late Pierre Bourdieu (Bourdieu, 1977). The notion of 'strategy-as-practice' has become increasingly visible in the strategic management literature as academics and practitioners recognise the futility of seeking to identify *the* definition of strategy and instead focus their resources in exploring

the processes associated with practice, thereby amassing a body of knowledge and understanding of what strategy might encompass (Whittington, 2005). The parallel notion of 'business model as practice' should now make more sense.

Both of these approaches are well-known within contemporary accounting research, as well as in several other management disciplines, and are widely subscribed within the interdisciplinary and critical accounting research community. Within the latter tradition they can be seen as successors to one of its founding foci. In his editorial to the first issue of the journal *Accounting, Organizations and Society*, Anthony Hopwood indicated that the accounting research community had to date only devoted a small part of its attention to assembling a knowledge and understanding to the non-technical aspects of its practices (Hopwood, 1976). Hopwood proposed that it was now time to begin to explore accounting "in action", while committing the new journal to serve as a vehicle for publishing such research, something it continues to do to date. For the majority of accounting academics and practitioners of that time what constitutes accounting (practice) can be readily identified in the pages of textbooks and manuals. This knowledge and understanding is eminently prescriptive. This is how the practitioner is expected to proceed when enacting accounting, the right to do so being increasingly reserved for those who have passed the necessary tests of competence, i.e., become qualified.

Hopwood did not seek to belittle the efforts of the successive generations of accounting practitioners and academics who had assembled this extant stock of knowledge and understanding. However, he argued that it is now time to broaden out the research agenda, by exploring how accounting is accomplished in action (or practice). A neat way to think about the then new research program is the exploration of how accounting is enacted as a complement to how accounting is portrayed and commended 'in textbooks'. Implicitly Hopwood and those colleagues who shared his ambition, believed that accounting and those who practised it would benefit from an exposure to such knowledge and understanding, and do so in a variety of ways. The fabrication of a 'better' accounting practice was not necessarily the only nor the most important of these ways.

The study of accounting in action is widely recognised to have resulted in the establishment of an interpretive research tradition within accounting, where interpretivism provides an alternative methodology to the more familiar positivist methodology. Positivism should be understood to provide the default methodology for rigorous scientific enquiry and as such is how we would characterise such endeavours. The physical sciences, and experimental physics in particular, provide the 'purest' exemplars of positivistic scientific enquiry. By contrast the biological and behavioural sciences can be viewed to be less pure for the most part, although still seeking to partially emulate the physical sciences. Management science would seem to fall within the behavioural science categorisation, although superficially at least many of its practitioners embrace and manifest the attributes of the physical sciences in their work. Much mainstream accounting research is of a similar nature, including those empirical contributions that utilise research designs incorporating larger sized ('scientific') samples, questionnaires or highly structured interview surveys.

The turn to interpretive accounting research approaches necessitated researchers becoming competent in pursuing research based in case and field study research designs. By definition these are the means to gain knowledge and understanding of how accountants and their colleagues 'do' accounting in the organisational environment, whether this be practice, business, the public sector, etc. In addition to learning how to conduct such explorations, which is itself quite daunting, gaining access, arranging interviews, travelling, maintaining full records, analysing transcriptions, discussing with co-researchers (and possibly participants), etc., are all accompanied by their own challenges. Qualitative research of this sort was recognised to be time consuming, resource intensive, consistently precarious and arguably inefficient when compared with hypothesis formulation and testing, which for many at that time was more familiar territory. One way to conceptualise the situation is to say comparatively modest investment of time and resources in positivistic enquiries is repaid with shallower insights, although more of them - an interesting (and provocative) way to characterise quantitative research perhaps.

In parallel, the vanguard of interpretive accounting researchers also had to become acquainted with a

number of theoretical perspectives that cohered with qualitative research. As noted earlier this required them to engage with sociology, albeit not only sociology. This in turn meant they had to understand the relationship between two generic types of sociological theory. The first type of theory might be designated *substantive* theory, or as it has recently been designated domain theory (Lukka and Vinnari, 2014; Baxter and Chua, 2006). Such theory would encompass knowledge and understanding of some phenomenon, say, adolescent deviance or accounting (system) change, built up over time, refined, amended, etc. By contrast with the second type of theory, *method* theory is more difficult to comprehend. Method or framing theory names those theoretical perspectives, or ways of seeing, that are available to observe or frame enquiries. The idea that it was possible to see things differently depending on what framing theory you decide to use is initially a difficult one, as is the complementary observation that a way of seeing is also a way of not seeing. A number of framing theories were available to the pioneering interpretive accounting researchers including symbolic interactionism, the action frame of reference and ethnomethodology (cf Burrell and Morgan, 1979). By the end of the 1980s accounting researchers had generated a corpus of valuable insights on how accounting is accomplished in action, most of which bear scrutiny to the present day, e.g. Berry, Capps, Cooper, Ferguson, Hopper and Lowe (1985).

By this time the dominant framing theories within interdisciplinary and critical accounting research were of a more politically radical nature, and widely informed by Marxist theory (Roslender, 2017). Consistent with the philosophy of praxis that underpins such framing theories, its purveyors were not simply documenting accounting in action. They were committed to identifying its negative attributes as a basis for rethinking accounting as a positive, progressive force. Instead of seeking to use the insights gained from their enquiries to fashion 'better' accounting, which like the methodology of positivism was the default mainstream position, radical (critical) accounting researchers envisaged the creation of a 'better' society in which accounting theory and practice played an important role. Thirty years later this critical tradition continues to attract younger accounting researchers although it is no longer the dominant force that it was in the 1980s and 1990s.

A similar arrangement also exists in several other management disciplines.

The performative approach, together with the practice approach to accounting research, and that sometimes designated Foucauldian research, are components of a generic postcritical turn that originates in the mid-1980s and has dominated accounting research since the turn of the century. The term 'postcritical' is fiercely contested by many scholars who would claim that they are part of a progressive movement that necessarily differs from its critical counterpart. Less contentiously it is possible to recognise in performative and similar postcritical approaches a return to an interpretivist methodology realised via case studies and field studies that make extensive use of qualitative research methods and techniques to provide the rich detailed knowledge and understanding that defines such endeavours.

Discussion and Conclusions

A decision to engage in performative research on business models has the consequence of propelling many researchers into a new habitat largely alien to them. Performative research is research in the tradition of social science, one that places greater emphasis on explanation and understanding than on prediction and hypothesis testing. It is research that results in the provision of partial knowledges that deny closure, thereby giving rise to what many would recognise as disorganised and frequently internally contradictory knowledge and understanding. Although there is no ban on attempts to organise or codify this knowledge and understanding, such exercises can never be considered to be final. The next piece of research has the capacity to fundamentally challenge what we know and understand. For those with a traditional intellectual formation, in which the arrangements associated with the physical sciences predominate, this can be an uncomfortable place.

Performative research, together with parallel research that enrolls alternative framing theory-based enquiries, is not to be understood to be work designed to contribute to the stock of managerialist or normative knowledge, in the first instance at least. The latter sort of knowledge is widely prized by practitioners, especially managers, providing them with answers or solutions

(prescriptions). Performative research approaches and techniques might be conceptualised to form one element of the *toolbox* for business model (in action) enquiries, as opposed to a chapter(s) in the *cookbook* for such enquiries. This does not mean that we have two separate stocks of knowledge and understanding that do not come together. Performative research has the capacity to enhance cookbook knowledges, often by the act of contesting that knowledge, by being more focused on posing questions rather than seeking (correct) answers.

A final observation is arguably the most challenging of all. Borrowing ideas from a different discipline to inform and underpin research enquiries in a field such as business models is a demanding exercise. Engaging with a performative research approach is not actually something that can be done in isolation. As noted earlier in the paper, any way of seeing is at the same time a way not seeing. It is therefore important that a researcher choosing to research business models from a performative perspective is aware of why s/he has identified it as the preferred option. This inevitably necessitates an investment of time and resources, in addition to those invested in actually pursuing and concluding the research. It is also important to avoid combining different approaches in an uninformed way, thereby potentially undermining the rigour demanded of social scientific enquiries. Arguably the greatest temptation of all lies in borrowing the terminology or discourse of a particular framing theory (ies) and liberally peppering the resultant narrative with concepts that may be valued for their currency rather than insights they afford.

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